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Annual Report

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Report Highlights:

Post projects beef and pork production to increase by five and three percent, respectively, in 2006, mostly driven by strong demand from the export market, as Brazil continues to benefit from the problems derived from animal disease outbreaks in some regions of the world. Although the Brazilian economy is projected to grow by 3.5 percent in 2006 with inflation under control, domestic demand for animal protein is estimated to increase at moderate rates due to the lack of consumer confidence resulting from the current political uncertainties and the high level of consumer debt from purchases of durable goods. Profit margins for both livestock producers and packers are expected to remain slim due to lower cattle prices, appreciation of the Brazilian currency, and higher production costs.

Includes PSD Changes: Yes
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Executive Summary

Cattle inventories continue to expand in Brazil in response to higher investments in animal genetics, and improved pasture and management practices stimulated by government credit programs. Beef production is projected to increase by five percent in 2006, mostly driven by strong demand from the export market, as Brazil continues to benefit from the problems derived from animal disease outbreaks in some regions of the world. Continued strong export demand combined with moderate growth in domestic consumption will likely increase pork production by 3 percent in 2006.

However, there are some constraints that may temper the projected increase in beef and pork production in the near future: the continued appreciation of the Brazilian currency, higher interest rates, uncertainties derived from the current political crisis which dropped consumer confidence and consumer high debt, lack of adequate financing for government sanitary and inspection programs, lower cattle prices, and projected lower economic growth in 2006 as compared to the current year.

Commodity Outlook, Cattle

Production

Cattle inventories will continue to increase in 2005/06, reaching nearly 178 million head by the end of 2006, which gives Brazil the largest commercial cattle herd in the world. The calf crop is estimated to increase by 3 percent, reflecting higher yields obtained by Brazilian livestock producers. Two major factors are still contributing to the expansion and improvement of the productivity of the cattle industry in Brazil:

First, an improvement in animal genetics, mostly through the use of crossbreeding programs in the center-west regions of the country, is the most significant factor. During the past five years, the use of artificial insemination in beef cattle increased by over 50 percent, while for dairy cattle it increased only by 7 percent. Brazilian cattlemen use imported bull semen, such as Red Angus, Angus, Simental, and Limousin to cross with the "Nelore" breed. Brazilian breeders are also using an increasing quantity of Brahman semen imported from the United States.

Second, higher enrollment in the Program for Pasture Improvement (PROPASTO), which was created by the Federal Government in 2000. Last year, the federal government renamed this program to "MODERAGRO", which also includes funds for soil erosion and conservation of lowlands. Program funds for the 2005/06-crop year have not been officially announced yet, but the Minister of Agriculture projected an increase of 12 percent in funds for next year's crop. Total MODERAGRO funds are expected to reach R\$650 million (approximately US\$ 280 million). Cattle producers use these funds at subsidized interest rates at 8.75 percent per year (commercial rates are beyond 25 percent). It is estimated that there are 180 million hectares of pasture in Brazil, of which 60 percent are cultivated (improved) pastures, while the balance is considered "native" pastures. Improved forage seed production will continue to increase in 2005 due to the MODERAGRO program.

However, lower cattle prices, appreciation of the Brazilian currency, and higher production costs may temper the continued success of Brazilian livestock producers in the near future. In 2005, cattle producers began a legal battle by filing a complaint against beef packers under the Ministry of Justice's Economic Defense Council for practices of cartel.

Geographical Distribution of Cattle

For the past two decades there has been a movement of cattle towards the Center-West regions. However, because of the strong expansion of soybeans in these areas, and more recently competition with sugarcane, the appreciation of land prices in the center-west areas has prompted a movement of cattle breeders towards the Northern region, especially to those areas located in the so-called pre-Amazon (area not as dense as the rain forests), such as in the southern area of the state of Para, Mato Grosso, and Rondonia. Environmental studies indicate that cattle ranchers are responsible for 75 percent of the deforestation of the Amazon as opposed to wood producers. Analysts say that raising cattle in these areas of the Amazon is 10 percent more profitable than other regions in Brazil land prices are lower than other areas in the Center-South where competition is stronger for crop production (soybeans, cotton, and corn).

The following table provides a geographical distribution of the cattle herd in Brazil, by major regions, based on the ending inventories projected for 2004.

Region	Cattle Herd (1,000 head)	Share (%)
North	30,882	17.8
Northeast	22,555	13.0
Southeast	34,256	19.7
South	25,776	14.8
Center-West	60,202	34.7
TOTAL	173,671	100.0

Source: Office of Agricultural Counselor (OAA).

Cattle Traceability Program

The Ministry of Agriculture, Livestock, and Food Supply (MAPA) officially announced the Brazilian System of Identification and Certification of Bovine and Buffalo Origin (SISBOV, in Portuguese) in early 2002. The system was developed to monitor all bovine animals born in Brazil or imported. The animals registered under the SISBOV will be monitored by private certification entities accredited by MAPA. The identification shall include the following: a) identification of the farm of origin; b) identification of the animal; c) month of birth or entry on the farm; d) sex of the animal; e) system of breeding and feeding; f) records of sales; g) additional information for the certification of the animal; h) sanitary information (vaccination, treatments); i) for imported animals, identification requires: country and farm of origin, date of import authorization and date of entry in Brazil, number of import license and farm of destination; and, j) in the case of slaughter, the meat packer is responsible for filing with MAPA the documents related to the identification of the animal.

The Animal Health Department (DDA) of the Ministry of Agriculture estimates that there are over 50 million animals under this program, about 30 percent of Brazil's cattle herd, and 30 companies accredited by DDA to conduct traceability in Brazil.

The SISBOV program is facing some serious controversy between cattle breeders on one side and government officials and meat packers on the other side. The core of the controversy has to do with the requirements for tracing cattle to the farm instead of tracing animals individually. These controversies may delay the full implementation of the program.

Animal Health Update

Brazil has made significant progress in eradicating Foot-and-Mouth Disease (FMD). Currently, 15 states out of 26 (50 percent of the national territory) and 84 percent of the cattle herd are free of FMD. The last outbreak of FMD in Brazil occurred in June 2004 in the municipality of Monte Alegre, state of Para, in the Amazon region. Russia and Argentina temporarily suspended imports of beef and swine from Brazil because of the outbreak, but imports were resumed two weeks later. Government officials expect that by the end of 2006 the entire country will be free of FMD as a result of the vaccination program and will meet the deadline established by the National Plan for Eradication of Foot-and-Mouth Disease (PNEFA).

Government officials are proclaiming that Brazil has the largest cattle herd (about 145 million head) in the world free of FMD, with vaccination, officially recognized by the Office of International Epizooties (OIE). The federal government also increased the total amount of funds for animal health programs during 2005/06 from R\$68 million (about US\$23 million) to approximately R\$140 million (US\$47 million). Animal health officials expect that total number of doses of FMD vaccines in 2005 will reach 366 million, up almost 4 percent from the record of 328 million doses in 2003.

Brazil and its neighbors in South America (Argentina, Bolivia, Chile, Paraguay, Peru, and Uruguay) created in mid-July 2003 the Permanent Veterinary Council (CVP, in Portuguese) to monitor the FMD situation in the region, exchange technical information on the disease, and work together to acquire international funds to eradicate the disease from these countries, which comprise central and southern South America. The CVP goal is to eradicate FMD from the region by 2009.

The Scientific Steering Committee (SSC) of the European Union reassessed the geographical BSE risk for Brazil from GBR 1 to GBR 2 (unlikely, but a BSE risk cannot be excluded), basically due to the cattle imports from the United Kingdom during 1991-95.

APHIS has completed the FMD risk assessment of Brazil to allow exports of fresh/frozen beef to the United States, but the report is still pending publication.

Policy

The new Agriculture and Livestock Plan for the 2005/2006 marketing year has not been officially announced, but the federal government is expected to allocate R\$44.3 billion (US\$ 19.2 billion) for rural credit, of which R\$11.5 billion (US\$ 5.1 billion) is for investment credit in the sector, up 4.2 percent from 2004. Beef cattle producers can benefit from the following investment credit programs, designed to increase cattle productivity and beef production:

a) MODERAGRO (former PROPASTO) is a program for pasture improvement that now includes funds for soil erosion and conservation of low lands). Each livestock producer can borrow up to R\$150,000 (US\$50,000) with fixed subsidized interest rates of 8.75 percent, per year (market rates are above 14 percent per year). The total amount of financial resources allocated to MODERAGRO during 2005/06-crop year is estimated at R\$900 million (US\$ 390 million).

b) SILO/WAREHOUSE (MODERINFRA). This program allows livestock producers to build or rebuild silos and warehouses on their farms. The program was also modified to include irrigation. Funds allocated to this program during 2005/06 are R\$700 million (US\$ 304 million). The funds are limited to R\$100,000 (US\$ 43,000) per livestock producer, with a fixed subsidized interest rate at 8.75 percent per year.

c) MODERFROTA. This program is aimed at the modernization of farmers' agricultural machinery. Total funds allocated to this program during 2005/06 are R\$5.5 billion (US\$ 2.4 billion).

d) FINAME. This program is offered outside of the rural credit lines referred to above, under the auspices of the BNDES (National Bank for Economic and Social Development), and includes long-term subsidized loans for breeding programs and seeds.

e) In addition to the federal programs above, producers and packers are entitled to state and municipal programs and subsidies, of which the most important are the pasture recuperation programs and at the packers level, subsidization of the state tax (ICMS), up to 70 percent, with terms of five to 10 years.

The Constitutional Fund for the center-west region (FCO) is the largest source of funds at subsidized rates for pasture, soil recuperation programs, and improvement of animal genetics. Small cattle producers can also benefit from a variety of other subsidized programs within the new economic objectives of assisting family farmers and improving the social conditions of all small farmers in Brazil.

Tariff Rate Table

Tariff Number (HTS)	Product Description	Rate (%) *	Other Info
0102.10.10	Breeding Stock	0	
0102.90.90	Bovine for Slaughter	2	Free: Mercosul
0511.10.00	Bovine Semen	0	
0511.99.10	Bovine Embryos	0	

- Assessed on the CIF value of the product
- Updated as of 8/31/2005

Commodity Outlook, Beef

Production

Post projects an increase of 5 percent in beef production in 2006 to reach nearly 8.9 million metric tons from the current record production of 8.4 million metric tons. The following factors support our current forecast: a) continued expansion in the export market in view of the BSE outbreaks in certain producing countries; b) aggressive marketing efforts by Brazilian packers; c) competitive export prices; and, d) increase in domestic demand, although at moderate levels.

Consumption

Domestic consumption of beef in 2006 is expected to increase by 2 percent, but from a high level of existent per capita beef consumption. This moderate increase also reflects a projected lower economic growth of 3.5 percent in 2006 combined with a decline in consumer confidence in view of the uncertainties derived from the current political crisis. In addition, the high level of consumer debt, mostly for durable goods, may negatively impact on the consumption of animal proteins.

So far, the Zero Hunger Program has had no impact on beef consumption. Analysts cite limited program funds to bring about an increase in consumption of animal protein, except for milk.

Trade

Post projects total beef exports (fresh/frozen and processed) in 2006 to reach 2.2 million metric tons (CWE), an increase of 15 percent over 2005. Brazilian beef exports are expected to continue to increase because of the competitiveness of Brazilian beef, the continued impact of adverse animal health conditions in other countries favoring Brazilian sales, and aggressive market promotion efforts, including promotion in new markets. Major target markets for Brazilian beef are China, the Middle East, Russia, and Chile, although the European Union is expected to remain as the main destination for Brazilian beef.

Total beef exports (fresh/frozen/processed), during Jan-June 2005, increased by 28 percent in volume to 618,000 metric tons (PWE) and by 29 percent in value to US\$ 1.4 billion. The average export price remained about the same as last year at US\$ 2,253.61 per metric ton. Although the European Union remains as the main destination of Brazilian beef with a market share of nearly 27 percent, beef exports to Russia increased significantly by 95 percent during Jan-Jun 2005, compared to the same period last year. Other major destinations for Brazilian beef are Egypt and Chile. According to trade sources, the increase in oil prices has contributed to the hike in Brazilian beef exports this year as consumers in the oil producing countries have higher disposable income to purchase animal protein. Total beef imports during the first half of 2005 decreased by 20 percent in volume, mostly from Uruguay.

Brazilian beef exporters have also diversified their product mix. Although the largest increase in exports of cuts during Jan-Jun 2005 was for boneless beef (hindquarters), trade sources indicate that other cuts (forequarters), comprise a larger share of the overall beef exports, mostly to markets in the Middle East and Eastern Europe.

Exports of processed beef, mostly corned beef, to the United States dropped by nearly 6 percent during January-June 2005, compared to the same period last year. Beginning May 5, 2005, Brazil self suspended its processed beef exports to the United States following an enforcement audit conducted by the USDA's Food Safety Inspection Service (FSIS). As of August 5, exports resumed for most packers, and the overall impact on exports in 2005 to the United States should be minimum.

Note: Differences between export data reported by Brazilian trade sources and those used by Post are due to the use of different conversion factors. Brazilian sources use a 2.5 factor for conversion of processed beef into CWE, while Post uses 1.79 factor. The same applies for boneless beef, as Post uses 1.42 as the conversion factor, while Brazilian trade sources use 1.36.

Stocks

There are no official stocks of beef in Brazil

Policy

The National Bank for Economic and Social Development (BNDES) provides meat-packing houses (meat plants) subsidized long-term loans to build or modernize their meat packing houses. BNDES does not provide the loans directly to the producer or packer, but through other state and commercial private banks. Total funds allocated under BNDES for the livestock sector are estimated to have increased to US\$ 360 million in 2005. BNDES also offers the following programs aimed at financing exports, which are used by meat packers:

(1) Advance on Export Contracts (ACC) and Advance of Exchange Delivered (ACE).

These programs represent an alternative for exporters to reduce the costs of their export operations. ACC enables an exporter to obtain a cash advance based on the export contract, prior to shipment of the product, while ACE is a cash advance after shipment of the product. Repayment terms are 180 days before or after shipment of the products. The cost to the exporters of obtaining ACC or ACE advances is equal to the international cost of financing exports (LIBOR plus a spread), now approximately 12 percent. There are several ways of combining ACC with other export credit programs, but the two most important for agricultural and food exports are:

— ACC+PROEX. This program combines the benefits of ACC and PROEX programs described above. Established through Circular 2,825 of the Central Bank of Brazil on June 24, 1998, the program is mostly used by exporters of high-value food products or processed agricultural commodities.

— ACC + RURAL. This program allows exporters of coffee and soybeans to obtain cash advances (ACC) on their exports from the Bank of Brazil, using as collateral the rural promissory note (CPR). The advance in cash is limited to 50 percent of the export value of the shipment.

(2) BNDES-Exim:

The main objective of this program is to expand Brazilian exports in general, including agricultural commodities, by making three types of credit lines available to exporters at costs competitive with international financing. The most widely used line of credit is similar to a buyer's or supplier's credit. Financing covers 100 percent of the shipment and repayment terms vary between 181 days to 12 years with interest rates based on LIBOR plus a spread.

This program is also referred to as the Brazilian "Eximbank" within BNDES. The amount allocated for this program in 2003 is estimated at US\$ 4.6 billion, of which meat plants (including poultry) may take up to US\$ 800 million.

Marketing

The private, non-profit organization, the Brazilian Beef Processors and Exporters Association (ABIEC), is comprised of the largest beef processors, packers, and exporters. In the past, ABIEC functioned mostly as a national lobbying group with few international market promotion activities. The association emphasized trade servicing, specifically related to the elimination of sanitary barriers to Brazilian beef in the European Union, Asia, and Russia.

Since 2001, ABIEC initiated an aggressive market promotion program approved by the National Export Promotion Agency (APEX), in cooperation with the Office of Production and Marketing (SPC) of the Ministry of Agriculture, Livestock, and Food Supply (MAPA). The objective of this program is to promote the brand "Brazilian Beef", emphasizing the product as "natural" (grass-fed beef as opposed to grain-fed beef) and environmentally sound or beneficial.

ABIEC is expected to target markets worldwide but their primary focus will be the European Union that now accounts for nearly 60 percent of Brazilian beef exports. Other markets include the Middle East, Russia, Asia, Latin America (mainly Chile), and the United States. Specific market development activities will concentrate on trade shows, trade servicing, and logistical support to the Brazilian government to remove non-tariff trade barriers to Brazilian beef.

Activities also include publicity on CNN International and reverse marketing (travel to Brazil by foreign importers of beef and specialized journalists). Several foreign teams from the European Union and other countries have visited Brazil during the first part of their market promotion project to evaluate cattle breeding and meat production. Two groups of foreign journalists, also from the European Union, and policy makers have toured cattle producing areas in the Center-West and meat packers in several states.

Nearly 60 percent of Brazil's beef exports originate from five major beef packers (Bertin, Friboi, Independencia, Minerva, and Frigotel). These meat packers have the following strategy to consolidate their market share in overseas markets.

First, they are negotiating with the poultry and pork packers to form a "meat alliance" to discuss common policies in international meat forums.

Second, they plan to open offices in four "key" cities: Washington, Geneva, Brussels, and Tokyo. These offices may evolve into export trading companies formed by the five largest beef exporters.

ABIEC has an agreement with APEX in the value of R\$3.6 million (US\$ 1.6 million) for market promotion during 2005/06 marketing year, of which APEX will fund 50 percent. The major promotional initiatives in 2005/06 are trade missions to target markets in Arab countries, China, Malaysia, South Africa, and Russia. In addition, trade show activities in the European Union, such as the Anuga and Sial, remain a priority for Brazilian beef exporters.

ABIEC is also promoting the first Brazilian Beef "Catalog" with all cuts available for exports. The catalog is available in seven languages besides Portuguese: English, French, Spanish, Italian, German, Arabic, and Russian. Other marketing initiatives for beef include:

- a) Certified "organic beef";
- b) "Patanal" veal. The Pantanal is one of the most important ecological systems in the world, located in the center-west region of Brazil;
- c) Supermarket Beef Certification of Origin Program, mostly carried out by Brazil's largest retail chain, Pao de Acucar, and by French retailer Carrefour, and,
- d) Beef alliances, similar to those in the United States. The most popular beef alliances in Brazil are: "Montana Grill" which sells beef from young steers to steakhouses and supermarkets in Brazil; "Bassi"; "Wessel"; "Red Angus Beef" in the South of Brazil, and "Nelore Natural", mostly in the center-west region of Brazil.

Tariff Rate table

Tariff Number	Product Description	Rate (%) *	Other Info
0201.10.10 0202.10.10	Fresh or Frozen Bone-in Beef Cuts or Carcasses	10	Duty-free from Mercosul
0201.30.00 0202.30.00	Fresh or Frozen Boneless Beef	12	Duty-free from Mercosul
0206.10.00	Bovine: Variety Meats	10	Duty-free from Mercosul
0210.20.00	Meat of Bovine Animals	10	Duty-free from Mercosul
1602.50.00	Processed Bovine Meat	16	Duty-free from Mercosul

- Assessed on the CIF value of the product
- Updated as of 8/31/2005.

Commodity Outlook, Pork**Production**

Post forecasts pork production to increase by three percent in 2006 because of continued strong demand from the export market combined higher domestic demand. This projection assumes a moderate increase in feed costs since the new Crop Plan to be officially announced for 2005/06-crop year will likely inject more subsidized credit to increase corn production. It also assumes that current favorable returns to hog breeders will continue the first half of next year. Brazilian pork exporters also project a moderate devaluation of the Brazilian currency in 2005 that will make the Brazilian product more competitive in world markets.

Our forecast also estimates an increase in hog production in the center-west region due to investments made by national and foreign groups, mostly in the state of Mato Grosso. These investments benefit from long-term federal credit lines as well state development programs. An increase in hog production in the center-west region will off-set a small decline in hog production in the south region of Brazil where hog producers have balanced supply and demand to increase profit margins. However, the three most southern states of Brazil still account for about 40 percent of swine slaughter and the production system is highly vertical.

About 40 percent of Brazilian pork production is concentrated among 10 large pork packers, of which Sadia accounts for 11 percent of production, followed by Perdigao with 8 percent, Aurora with 7 percent, and Seara with 5 percent. Although Seara only accounts for 5 percent of total pork production in Brazil, the company alone accounts for nearly 25 percent of all pork exports.

Consumption

Pork consumption in 2006 is expected to recover from 2005 mostly because of the expected stable consumer prices and strong market promotion conducted jointly by producers and packers to increase per capita domestic consumption of pork in Brazil.

Pork utilization in Brazil is estimated at 70 percent industrial/processing, and 30 percent fresh consumption. A promotional campaign to increase fresh pork consumption, which started in the south, has expanded to other major cities in the southeast. Pork producers remain concerned about the seasonal trend of fresh pork consumption in Brazil that is concentrated during the winter months (June-August), and are trying to address this concern with their campaign to promote the benefits of pork consumption year-round. Pork producers are trying to close the gap between the regions of Brazil in terms of pork consumption. Currently, per capita pork consumption is concentrated in the South with per capita consumption at 18 kilograms and the Southeast at 15 kilograms, while the Center-West (11 kilograms) and Northeast (6 kilograms) regions consume less pork.

Trade

Pork exports are projected to increase by a small rate in 2005, after a surprising significant increase this year. According to trade sources, although pork exports are still too concentrated in the Russian market, exports to other non-traditional markets are increasing through negotiations to resolve SPS issues and aggressive market promotion.

The volume of pork exports during Jan-Jun 2005 increased by 30 percent. This result is significantly better than previously estimated by pork exporters and reflects continued booming sales to Russia. Exports to other destinations in Eastern Europe also increased significantly, such as Kazakhstan, Uzbekistan, and Ukraine. The value of pork exports during Jan-Jun 2005 jumped by 81 percent, due to a higher average price of US\$ 1,954.98 per metric ton, up 39 percent from the same period last year.

Marketing

In addition to the domestic campaign to increase consumption of fresh pork, Brazilian pork exporters initiated a marketing program in 2002 to expand overseas sales of pork. The program is half financed by the Brazilian Pork Processors and Exporters Association (ABIPECS) and the other half by the Federal Government Export Promotion Agency (APEX). In 2005, the program has received additional funds of US\$ 1.5 million.

ABIPECS is a private, non-profit organization aimed at supporting pork exporters in overseas markets. Since pork processors and exporters in Brazil are also the poultry processors and exporters, ABIPECS works jointly with ABEF, the poultry exporters association, in market promotion. They share the same offices and staff, but their market promotion budgets are separate. ABIPECS' major goal is to develop new markets for Brazilian pork exports that are still highly concentrated in Russia. Pork exports are also concentrated among five major companies, which account for 72 percent of all exports (based on 2002 data): Seara (26%), Sadia (17%), Perdigao (14%), Pamplona (10%), and Frangosul (5%). The same concentration is true for the three most southern states of Brazil.

Market promotion programs developed by ABIPECS include: trade servicing, participation in trade shows (principally FOODEX Japan, HOFEX Hong Kong, World Food Moscow, SIAL, and ANUGA Germany), display and sampling of products, sales catalogs in foreign languages,

trade missions, reverse trade missions, and publicity. More recently, ABIEC jointly with the Brazilian Embassy in certain important cities of the world has innovated their programs by promoting Brazilian "barbecue" style (churrasco) for selected audiences. Brazilian "barbecue" style restaurants (churrascarias) are growing in different countries of the world, such as in the United States and China.

Target overseas markets include: Asia, the European Union, and other countries in Latin America. Since Russia became the largest importer of Brazilian pork, ABIPECS is targeting Russian retailers in their promotional efforts to avoid the high cost of doing business in Russia through European trading companies.

Policy

The same programs referred on pages 6 and 7 of this report apply to pork packers. In addition, pork packers can also benefit from a subsidized long-term credit program through the Ministry of Science and Technology (MCT) to finance projects aimed at genetic development and improvements in pork quality and carcass yields. Total funds allocated under this program for 2003/04 are estimated at US\$ 10 million.

Tariff Rate Table

Tariff Number	Product Description	Rate (%) *	Other Info
0203.10.10 0203.20.10	Fresh or Frozen Bone-in Pork Cuts or Carcasses	10	Duty-free from Mercosul
0201.30.00 0202.30.00	Fresh or Frozen Boneless Pork	10	Duty-free from Mercosul
0206.30.00	Pork: Variety Meats	10	Duty-free from Mercosul
0210.11.00	Pork meat	10	Duty-Free from Mercosul
1602.40.00	Processed Pork Meat	16	Duty-free from Mercosul

- Assessed on the CIF value of the product
- Updated as of 8/31/2005

PSD Tables

Animal Numbers, Cattle

PSD Table Country Brazil Commodity Animal Numbers, Cattle (1000 HEAD)								
	2004	Revised	2005	Estimate	2006	Forecast	UOM	
	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]		
Market Year Begin		01/2004		01/2005		01/2006	MM/YYYY	
Total Cattle Beg. Stks	165492	165492	169583	169567	173671	173671	(1000 HEAD)	
Dairy Cows Beg. Stks	33098	33098	33917	33913	0	34734	(1000 HEAD)	
Beef Cows Beg. Stocks	46338	46338	47483	47749	0	48628	(1000 HEAD)	
Production (Calf Crop)	46234	46234	47653	47648	0	49149	(1000 HEAD)	
Intra EC Imports	0	0	0	0	0	0	(1000 HEAD)	
Total Imports	1	0	0	1	0	1	(1000 HEAD)	
TOTAL Imports	1	0	0	1	0	1	(1000 HEAD)	
TOTAL SUPPLY	211727	211726	217236	217216	173671	222821	(1000 HEAD)	
Intra EC Exports	0	0	0	0	0	0	(1000 HEAD)	
Total Exports	16	16	0	45	0	75	(1000 HEAD)	
TOTAL Exports	16	16	0	45	0	75	(1000 HEAD)	
Cow Slaughter	12800	12800	13100	13900	0	15290	(1000 HEAD)	
Calf Slaughter	900	900	900	900	0	900	(1000 HEAD)	
Other Slaughter	22643	23255	24065	24181	0	24563	(1000 HEAD)	
Total Slaughter	36343	36955	38065	38981	0	40753	(1000 HEAD)	
Loss	5785	5188	5500	4519	0	4185	(1000 HEAD)	
Ending Inventories	169583	169567	173671	173671	0	177808	(1000 HEAD)	
TOTAL DISTRIBUTION	211727	211726	217236	217216	0	222821	(1000 HEAD)	
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0	(1000 HEAD)	
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0	(1000 HEAD)	

PSD Table, Beef

PSD Table Country Brazil Commodity Meat, Beef and Veal (1000 MT CWE)(1000 HEAD)							
	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	
Market Year Begin		01/2004		01/2005		01/2006	MM/YYYY
Slaughter (Reference)	36343	36955	38065	38981	0	40753	(1000 HEAD)
Beginning Stocks	0	0	0	0	0	0	(1000 MT CWE)
Production	7975	7975	8455	8455	0	8880	(1000 MT CWE)
Intra EC Imports	0	0	0	0	0	0	(1000 MT CWE)
Total Imports	53	53	50	45	0	40	(1000 MT CWE)
TOTAL Imports	53	53	50	45	0	40	(1000 MT CWE)
TOTAL SUPPLY	8028	8028	8505	8500	0	8920	(1000 MT CWE)
Intra EC Exports	0	0	0	0	0	0	(1000 MT CWE)
Total Exports	1628	1628	1850	1950	0	2240	(1000 MT CWE)
TOTAL Exports	1628	1628	1850	1950	0	2240	(1000 MT CWE)
Human Dom. Consumption	6400	6400	6655	6550	0	6680	(1000 MT CWE)
Other Use, Losses	0	0	0	0	0	0	(1000 MT CWE)
TOTAL Dom. Consumption	6400	6400	6655	6550	0	6680	(1000 MT CWE)
Ending Stocks	0	0	0	0	0	0	(1000 MT CWE)
TOTAL DISTRIBUTION	8028	8028	8505	8500	0	8920	(1000 MT CWE)
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0	(1000 MT CWE)
Calendar Yr. Exp. to U.S.	89	89	100	100	0	0	(1000 MT CWE)

Export Trade Matrix, Beef, Jan-Jun 2005

Export Trade Matrix Country Brazil Commodity Meat, Beef and Veal			
Time Period	Jan-Jun	Units:	Metric Tons
Exports for:	2004		2005
U.S.	24,254	U.S.	22,914
Others		Others	
Algeria	4,693		27,310
Angola	4,924		5,053
Bulgaria	3,926		24,791
Chile	52,295		41,615
Egypt	66,806		76,678
European Union	151,131		158,322
Iran	25,360		6,908
Israel	13,519		12,137
Lebanon	4,515		7,933
Phillippines	14,429		10,379
Russia	56,949		111,329
South Africa	4,998		7,632
UAE	3,694		3,863
Total for Others	407239		493,950
Others not Listed	49839		100,721
Grand Total	481332		617585

Animal Numbers, Swine

PSD Table Country Brazil Commodity Animal Numbers, Swine (1000 HEAD)								
	2004	Revised	2005	Estimate	2006	Forecast	UOM	
	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]		
Market Year Begin		01/2004		01/2005		01/2006	MM/YYYY	
TOTAL Beginning Stocks	32081	32081	32323	32323	32938	32938	(1000 HEAD)	
Sow Beginning Stocks	3005	3005	3010	3020	0	3030	(1000 HEAD)	
Production (Pig Crop)	30015	30015	30465	31914	0	32509	(1000 HEAD)	
Intra EC Imports	0	0	0	0	0	0	(1000 HEAD)	
Total Imports	0	0	0	0	0	0	(1000 HEAD)	
TOTAL Imports	0	0	0	0	0	0	(1000 HEAD)	
TOTAL SUPPLY	62096	62096	62788	64237	32938	65447	(1000 HEAD)	
Intra EC Exports	0	0	0	0	0	0	(1000 HEAD)	
Total Exports	1	0	0	0	0	0	(1000 HEAD)	
TOTAL Exports	1	0	0	0	0	0	(1000 HEAD)	
Sow Slaughter	200	200	200	200	0	200	(1000 HEAD)	
OTHER SLAUGHTER	28373	28373	28450	29900	0	31050	(1000 HEAD)	
Total Slaughter	28573	28573	28650	30100	0	31250	(1000 HEAD)	
Loss	1199	1200	1200	1199	0	1050	(1000 HEAD)	
Ending Inventories	32323	32323	32938	32938	0	33147	(1000 HEAD)	
TOTAL DISTRIBUTION	62096	62096	62788	64237	0	65447	(1000 HEAD)	
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0	(1000 HEAD)	
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0	(1000 HEAD)	

PSD Table, Pork

PSD Table Country Brazil Commodity Meat, Swine (1000 MT CWE)(1000 HEAD)							
	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	
Market Year Begin		01/2004		01/2005		01/2006	MM/YYYY
Slaughter (Reference)	28573	28573	28650	28650	0	0	(1000 HEAD)
Beginning Stocks	0	0	0	0	0	0	(1000 MT CWE)
Production	2600	2600	2670	2765	0	2850	(1000 MT CWE)
Intra EC Imports	0	0	0	0	0	0	(1000 MT CWE)
Total Imports	0	0	0	0	0	0	(1000 MT CWE)
TOTAL Imports	0	0	0	0	0	0	(1000 MT CWE)
TOTAL SUPPLY	2600	2600	2670	2765	0	2850	(1000 MT CWE)
Intra EC Exports	0	0	0	0	0	0	(1000 MT CWE)
Total Exports	621	621	640	745	0	770	(1000 MT CWE)
TOTAL Exports	621	621	640	745	0	770	(1000 MT CWE)
Human Dom. Consumption	1979	1979	2030	2020	0	2080	(1000 MT CWE)
Other Use, Losses	0	0	0	0	0	0	(1000 MT CWE)
TOTAL Dom. Consumption	1979	1979	2030	2020	0	2080	(1000 MT CWE)
Ending Stocks	0	0	0	0	0	0	(1000 MT CWE)
TOTAL DISTRIBUTION	2600	2600	2670	2765	0	2850	(1000 MT CWE)
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0	(1000 MT CWE)
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0	(1000 MT CWE)

Export Trade Matrix, Pork, Jan-Jun 2005

Export Trade Matrix Country Brazil Commodity Meat, Swine Time Period Jan-Jun Units: Metric Tons			
Exports for:	2004		2005
U.S.		U.S.	
Others		Others	
Albania	1,652		4,795
Angola	883		2,161
Argentina	11,721		8,864
Bulgaria	2,047		2,953
China	1,444		1,180
European Union	6,141		2,165
Georgia	1,400		1,702
Haiti	679		886
Hong Kong	23,539		24,856
Lithuania	1,095		1,499
Moldova	479		3,490
Kazakhstan	207		4,609
Korea	330		3,281
Russia	130,063		172,334
Singapore	7,083		6,734
South Africa	7,996		10,780
UAE	787		3,185
Ukraine	4,437		8,403
Uruguay	4,030		3,450
Total for Others	206013		267,327
Others not Listed	5176		7,747
Grand Total	211189		275074